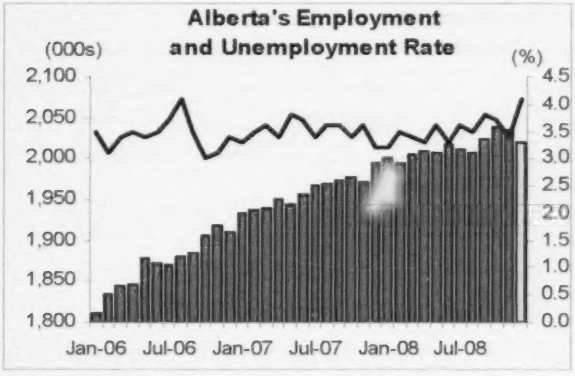
Employment Report

Alberta's labour market weakened in December...

Alberta lost 15,800 jobs in December and the unemployment rate increased to a two-year high of 4.1%. Despite the increases, Alberta still has the lowest unemployment rate among the provinces. For the year as a whole, Alberta created 53,800 jobs for a growth rate of 2.8%. The unemployment rate averaged 3.6% in 2008. Nationally, employment fell by 34,400 in December, largely driven by the 44,000 job loss in the construction sector. The unemployment rate inched up 0.3 percentage points to 6.6%. In 2008, employment increased by 1.5% from 2007, and the average unemployment rate edged up to 6.1%.



US recorded the worst annual job losses since World War II...

The US economy lost 524,000 jobs in December, bringing the total job losses to almost 2.6 million in 2008. The unemployment rate rose to 7.2%, the highest in almost 16 years.

Housing Starts and Building Permits

Housing starts slip further in December...

The number of housing starts in Alberta dropped slightly to an annual rate of 21,000 in December. Based on preliminary data, housing starts declined by 37.6% in 2008.

In November, the value of building permits in Alberta rose 22.2% from the previous month. Nonetheless, residential permits were down 31.6% year-to-date. Non-residential building permits remained strong, up 6.5% in the first 11 months of 2008.

Canadian Dollar (US¢/CS)		
January 9, 2009		83.87
January 2, 2009		82.60
2008-09 YTD		92.41
WTI Oil US$/bbl		
January 8, 2009	$	41.70
December 31, 2008	$	44.60
2008-09 YTD	$	98.98
Nymex Natural Gas CS/MMBtu *		
January Contract		
January 9, 2009	$	6.50
January 2, 2009	$	7.34

*Estimate based on Nymex Futures Market Price

Rigs Drilling

Drilling activity declined...

Following four monthly increases, the average number of rigs drilling in Alberta declined 10.2% in December from the same month a year ago. In 2008, the number of rigs drilling averaged 236, down 2.1% from 2007.

Commodity Prices

Farm product price index continued its downward trend in October...

Prices received by Alberta farmers fell 3.7% in October, the third consecutive monthly decline. Both the crops and livestock indexes dropped from the previous month. On a year-to-date basis, crop prices were up 33.7%, while livestock prices were down 0.2%.

Oil prices declined...

Despite the continuing tentions in Gaza and the gas dispute between Russia and Ukraine, weak economic indicators and falling employment in the US and Canada pulled down oil and gas prices.

Industrial and raw marterial prices continued to ease...

Because of significant declines in commodity prices, the industrial product and raw materials price indexes fell by 2.6% and 13.4%, respectively, from the previous month in November.

Alberta CURRENT ECONOMIC INDICATORS

January 9, 2009

Overall Economy	2006	2007	2008YTD*	(year-over-year % change unless otherwise noted) July	August	Sept	Oct	Nov	Dec
Real GDP (in 2002 $billions)	181.8	187.5	--	--	--	--	--	--	--
% change	6.1	3.1	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,421	3,511	3,585	3,585	--	--	3,611	--	--
% change	3.0	2.6	2.1	2.1	--	--	2.4	--	--
Net Interprovincial Migraton[1] (level)	45,795	33,809	10,010	6,730	--	--	4,927	--	--
Net International Migration[1] (level)	15,646	16,136	19,283	6,340	--	--	4,907	--	--
Net Non-permanent Residents[1] (level)	5,633	13,539	17,890	7,099	--	--	8,061	--	--
Labour Market									
Employment (000's) NSA	1,871	1,959	2,013	2,011	2,007	2,024	2,039	2,035	2,019
% change	4.8	4.7	2.8	2.2	2.0	2.5	3.1	3.2	1.5
Unemployment Rate (%) NSA	3.4	3.5	3.6	3.6	3.5	3.8	3.7	3.4	4.1
Average Hourly Wage Rate NSA	6.9	6.0	5.7	4.7	5.3	5.5	6.2	5.0	4.1
Average Weekly Earnings	4.9	4.5	4.9	3.3	5.3	5.8	4.3	--	--
Labour Income[2]	12.7	11.4	8.6	8.2	8.3	8.2	--	--	--
Price Indices									
Consumer Price Index	3.9	5.0	3.3	3.5	4.0	2.8	2.4	2.1	--
Excluding food and energy	4.0	4.9	2.1	1.5	1.5	1.1	1.3	1.8	--
Non-Res. Const. Cost Index[3] (quarterly)	12.2	17.3	14.7	15.7 (Q2)	--	--	16.1 (Q3)	--	--
Farm Product Price Index NSA	-0.7	13.5	12.5	28.1	14.9	-0.5	0.8	--	--
Crops NSA	1.4	39.5	33.7	55.5	16.4	-4.5	-9.8	--	--
Livestock	-2.4	0.8	-0.2	11.1	10.7	9.8	14.2	--	--
Household Sector									
Housing Starts (SAAR, 000's) NSA	49.0	48.3	30.0	28.9	23.7	24.6	26.2	21.5	21.0
% change	19.9	-1.3	-37.6	-35.6	-51.5	-56.8	-47.9	-53.2	-44.6
New Housing Price Index	38.2	22.5	2.0	-2.7	-3.3	-3.4	-4.5	--	--
Edmonton	28.9	32.1	3.0	-5.3	-5.7	-5.8	-7.7	--	--
Calgary	43.6	16.2	1.5	-0.3	-1.1	-1.2	-1.6	--	--
MLS Average Resale Prices	30.9	24.3	-0.9	-5.2	-5.2	-5.0	-3.7	-4.2	--
Edmonton	30.0	34.3	-1.6	-5.3	-4.8	-5.6	-8.6	-2.0	--
Calgary	38.6	18.7	-2.3	-7.8	-8.0	-6.0	-5.6	-6.0	--
Retail Sales	15.4	9.3	1.3	0.6	-3.1	2.1	3.7	--	--
New Motor Vehicle Sales	11.9	3.3	-5.3	-6.0	-13.5	-1.9	-2.3	--	--
Business Sector									
Public and Private Investment[4]	18.3	4.9	3.8	--	--	--	--	--	--
Mining and oil and gas[4]	16.2	-5.5	-0.8	--	--	--	--	--	--
Rigs Drilling NSA	-2.6	-35.2	-2.1	-1.7	10.7	6.9	18.4	3.5	-10.2
Goods Exports (customs based)	1.9	5.5	38.6	69.0	41.5	43.6	46.5	--	--
Energy	-0.5	4.4	48.2	93.8	49.9	53.1	55.7	--	--
Agriculture	9.4	12.4	25.4	20.0	18.3	21.6	28.2	--	--
Total Farm Cash Receipts (quarterly)	-0.4	11.9	18.4	23.6 (Q2)	--	--	--	18.4 (Q3)	--
Manufacturing Shipments	6.5	1.9	9.6	22.2	10.0	20.6	8.5	--	--
Wholesale Trade	13.0	4.5	10.9	14.5	11.7	21.4	14.3	--	--
Building Permits NSA	36.0	13.4	-15.4	-14.9	-34.0	-12.2	-43.9	-14.5	--
Residential	34.6	10.7	-31.6	-39.9	-48.4	-37.9	-35.6	-37.9	--
Non-residential	38.1	17.1	6.5	28.0	-11.5	28.9	-50.5	20.4	--

Alberta Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). Year-to-date value is actual 2008. The October population estimate is also the 2009 year-to-date value.

[2] Total income earning in Alberta including wages and salaries, and supplementary income.

[3] Average of Calgary and Edmonton.

[4] 2008 based on initial investment intentions, 2007 preliminary actuals.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Autumn 2008)											
Real GDP Growth											
2007 (actuals, Statistics Canada)	**2.7%**	9.1%	2.4%	1.7%	1.7%	2.7%	2.3%	3.3%	2.5%	**3.1%**	3.0%
2008	**0.7%**	1.5%	0.7%	1.5%	1.0%	0.9%	0.2%	2.7%	5.2%	**1.2%**	1.2%
2009	**1.5%**	-0.7%	1.3%	1.0%	0.8%	1.5%	0.8%	2.4%	3.6%	**2.6%**	1.8%
Population (As of October 1, 2008)											
Population	**33,441,277**	508,944	140,750	939,125	747,790	7,771,854	12,977,059	1,210,547	1,020,847	**3,610,782**	4,405,534
Annual Growth Rate[a]	**1.19%**	0.30%	1.54%	0.26%	0.19%	0.87%	1.07%	1.10%	1.49%	**2.36%**	1.64%
Net Interprovincial Migration											
2008 Census Year (July 1 2007 to June 30 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
3rd Quarter (July 1 to September 30 2008)		823	127	-722	-741	-3,046	-3,200	-1,515	2,064	**4,927**	1,484
Employment											
Level Change (000s)[b] NSA	**259.4**	3.2	0.9	5.6	3.4	30.0	93.5	10.2	11.0	**53.8**	47.9
Percent Change[b]	**1.5%**	1.5%	1.3%	1.2%	0.9%	0.8%	1.4%	1.7%	2.2%	**2.8%**	2.1%
Unemployment Rate, 2008 avg	**6.1**	13.3	10.8	7.7	8.6	7.2	6.5	4.2	4.1	**3.6**	4.6
Participation Rate, 2008 avg NSA	**67.8**	59.5	68.7	63.9	64.8	65.7	68.1	69.6	69.7	**74.7**	66.6
Average Weekly Earnings (SA)											
October 2008	**801.24**	749.38	654.72	698.58	740.87	755.03	830.83	727.73	765.75	**888.73**	777.98
% Increase[c]	**2.9%**	3.8%	2.1%	2.3%	3.4%	2.5%	2.5%	3.0%	4.5%	**4.9%**	2.1%
Wage Settlements (September 2008)										**4.5%**	
CPI Inflation											
November Annual	**2.0%**	2.4%	2.3%	1.3%	0.6%	1.4%	2.1%	2.7%	3.2%	**2.1%**	2.0%
Excluding Shelter	**1.2%**	1.0%	1.3%	0.4%	0.4%	1.0%	1.2%	2.0%	1.1%	**1.2%**	1.9%
Housing Starts (000s)											
SAAR December 2008 NSA	**177.3**	3.6	0.9	3.9	3.1	43.8	64.0	7.0	5.6	**21.0**	24.3
Retail Sales											
Percent Change[c]	**4.8%**	9.1%	5.7%	5.8%	6.1%	6.0%	5.2%	8.7%	12.8%	**1.3%**	2.2%
Avg. Monthly % Change (Jan-Oct 2008)	**0.2%**	0.8%	0.5%	0.5%	0.6%	0.4%	0.2%	0.3%	0.5%	**0.0%**	-0.3%
Manufacturing Shipments											
Percent Change[d]	**0.8%**	33.0%	-2.4%	12.8%	24.2%	2.6%	-3.9%	1.9%	20.5%	**9.6%**	-6.1%

a. Over the past 12 months
b. January 2008 to December 2008 (YTD)
c. January 2008 to October 2008 (YTD)
d. January 2008 to October 2008 (YTD)
SA-Seasonally Adjusted
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada